

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Resolution No. 8739 approving Bellevue Art Museum's (BAM) execution of a Reciprocal Easement Agreement with LS 2 Holdings, LLC, for certain construction-related easements between the two properties.

FISCAL IMPACT

There is no fiscal impact to the City in authorizing BAM to execute this easement.

POLICY CONSIDERATION

Approval of BAM's execution of this easement will protect the public investment in BAM while furthering LS2's goals to develop the Lincoln Square II Expansion.

STAFF CONTACT

Lori Riordan, City Attorney, 452.7220
Darcie Durr, Assistant City Attorney, 452.2033
City Attorney's Office

BACKGROUND

The City determined that the presence of BAM in downtown Bellevue would increase public accessibility to the arts and contribute to the attractiveness and economic vitality of the downtown. Beginning in 1998, BAM received a substantial amount of public funding from the City to construct the present BAM facility, including the parking garage. As a condition of receiving this funding, BAM provided the City with a recorded security interest in the property in 2007 and agreed to use the building and the parking structure for public museum purposes through the year 2027. The Deed of Trust in favor of the City prohibits BAM from selling or leasing any part of the property or significantly altering any part of the BAM facility without the City's prior approval.

Any arrangements made by BAM for the use or disposition of its property must be consistent with the City funding agreements and must be approved by the City Council.

The easement as drafted is reciprocal, and the City's approval is only required for the burdening of the BAM property. It is staff's understanding that LS2 is the developer of the Lincoln Square II Expansion and plans to exercise its easement rights immediately, while BAM's exercise of the reciprocal easement may occur at some point in the future if BAM undergoes significant construction. The easement grants LS2 a temporary easement for the construction and installation of support devices, including tiebacks, anchors, cables and soil nails, some of which will ultimately be abandoned in place. It also includes LS2's right to reasonable pre-construction access to the BAM property for the inspection of structures on the BAM property and the installation of fencing and crack monitors.

EFFECTIVE DATE

If approved, this Resolution becomes effective immediately.

OPTIONS

1. Adopt Resolution No. 8739 authorizing BAM to execute a construction-related reciprocal easement agreement with LS2.
2. Do not adopt Resolution No. 8739 and provide alternative direction to staff.

RECOMMENDATION

Adopt Resolution No. 8739 authorizing BAM to execute a construction-related reciprocal easement agreement with LS2.

ATTACHMENTS

Proposed Resolution No. 8739

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 8739

A RESOLUTION approving Bellevue Art Museum's (BAM) execution of a reciprocal easement agreement with LS 2 Holdings, LLC (LS 2), for certain construction-related easements between their two properties.

WHEREAS, the City determined that the presence of BAM in downtown Bellevue would increase public accessibility to the arts and contribute to the attractiveness and economic vitality of the downtown; and

WHEREAS, beginning in 1998, BAM received a substantial amount of public funding from the City to construct the present BAM facility, including the parking garage; and

WHEREAS, as a condition of receiving this funding, BAM provided the City with a recorded security interest in the property in 2007 and agreed to use the building and the parking structure for public museum purposes through the year 2027; and

WHEREAS, the Deed of Trust in favor of the City prohibits BAM from selling or leasing any part of the property or significantly altering any part of the BAM facility without the City's prior approval; and

WHEREAS, LS 2 and BAM wish to enter into certain construction-related easements between the BAM property and the LS 2 property; and

WHEREAS, any arrangements made by BAM for the use or disposition of its property must be consistent with the City funding agreements and must be approved by the City Council.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES
RESOLVE AS FOLLOWS:

Section 1. The Council hereby declares its approval of Bellevue Art Museum's (BAM) execution of a reciprocal easement agreement with LS 2 Holdings, LLC, for certain construction-related easements between their two properties, substantially in the form of the agreement which has been given Clerk's Receiving No. _____.

Passed by the City Council this _____ day of _____, 2014,
and signed in authentication of its passage this _____ day of _____,
2014.

(SEAL)

Claudia Balducci, Mayor

Attest:

Myrna L. Basich, City Clerk